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Organizational matters

Report of the first regular session 2018 (22 to 26 January 2018, New York)

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I. Organizational matters

1. The first regular session 2018 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters, New York, from 22 to 26 January 2018. The newly elected President of the Board welcomed all delegations and thanked the outgoing President and Vice-Presidents for their leadership and commitment to the work of the Board in 2017. He congratulated the new members of the Bureau on their election.

2. In accordance with rule 7 of the rules of procedure of the Executive Board, the Board elected the following members of the Bureau for 2017:

President:	H.E. Mr. Jagdish D. Koonjul	(Mauritius)
Vice-President	H.E. Mr. Chuli-joo Park	(Republic of Korea)
Vice-President:	H.E. Ms. Besiana Kadare	(Albania)
Vice-President:	Mr. Tumasie Blair	(Antigua and Barbuda)
Vice-President:	Mr. Dominique Favre	(Switzerland)

3. The Executive Board approved the agenda and workplan for its first regular session 2018 (DP/2018/L.1), and approved the report of the second regular session 2017 (DP/2018/1) and the special session 2017 (DP/2018/2). The Board adopted the annual workplan for 2018 (DP/2018/CRP.1) and approved the tentative workplan for the annual session 2018.

4. Decisions adopted by the Executive Board in 2017 appeared in document DP/2018/3, which was available on the Executive Board website.

5. The Executive Board agreed in decision 2018/9 to the following schedule for future sessions of the Executive Board in 2018:

Annual session 2018	4 to 8 June 2018 (New York)
Second regular session 2018:	4 to 7 September 2018

UNDP segment

II. Statement by the Administrator and country programmes and related matters

6. In his address to the Executive Board (available on the Executive Board website), the Administrator of UNDP thanked the outgoing President and Vice-Presidents for their commitment and support in 2017 and congratulated the newly elected President and Vice-Presidents for 2018. He drew attention to the important reform decisions that would take place in 2018 built on the Secretary-General's vision laid out in his report, Repositioning the United Nations development system to deliver on the 2030 Agenda (A/72/684-E/2018/7), anchored in the 2016 quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/71/243). Together, they formed the policy bedrock of UNDP strategy and operations. He affirmed the organization was ready, in collaboration with the United Nations development system and partners, to address the world's complex development and humanitarian challenges.

7. The new Strategic Plan, 2018-2021, positioned UNDP as a cornerstone of United Nations reform. Under the Secretary-General's guidance, UNDP was prepared to continue its United Nations development system leadership role for the realization of the Sustainable Development Goals (SDGs). This included ongoing engagement with humanitarian actors and the newly established Joint Steering Committee to Advance Humanitarian and Development Cooperation. Building on the plan's common chapter, UNDP would continue to collaborate with UNFPA, the United Nations Children's Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

8. Turning to funding, the Administrator highlighted that, at $612 million, regular (core) contributions in 2017 were only slightly below 2016 figures, marking a welcome change from the progressive decline of previous years. Other (non-core) resources held steady at $4.4 billion in 2017, with a 13 per cent increase in government cost-sharing and a 60 per cent increase in grants and loans from international financial institutions. UNDP funding windows also saw a 57 per cent rise from 2016. The Strategic Plan, 2018-2021, prioritized broadening UNDP private sector engagement through innovative approaches while the organization still counted on Member States' commitment to predictable, flexible core funding.

9. The Administrator underscored the organization's commitment to improve its business model and make important strides in three areas: (a) pursuing cost recovery goals in line with Board decisions; (b) refocusing private sector partnerships beyond funding to work with governments to deliver results; and (c) driving innovation in programming and operations. An integral part of this paradigm was the organization's aim for continuous engagement and partnership with the Executive Board through honest, regular, proactive dialogue. UNDP would share a detailed proposal with the Board at the annual session 2018.

10. Focusing on gender, the Administrator reaffirmed UNDP commitment to help programme countries advance gender equality, in collaboration with United Nations organizations. The UNDP gender equality strategy, 2018-2021, set for presentation at the annual session 2018, laid out the corporate plan to integrate gender in development work and its commitment to plan, report and oversee gender equality results. Similarly, he highlighted progress toward gender parity within UNDP ranks while recognizing more was needed to remove discrepancies, especially at senior levels. He emphasized the importance of improving the quality of the UNDP workplace and ensuring all staff had equal opportunity to grow. He stressed that UNDP fully adhered to the Secretary-General's zero tolerance strategy on workplace harassment, sexual exploitation and abuse, both within UNDP and with the populations it served.

11. UNDP was committed to transparency and accountability, and placed great value on the independence and impartiality of the Independent Evaluation Office (IEO). The Administrator noted that UNDP would continue to allocate the resources the IEO needed to carry out its work plan, 2018-2021.

12. Board members expressed their strong support for the organization's work and its unique role in implementing the 2030 Agenda and the Sustainable Development Goals. Underscoring the importance of the 2016 quadrennial review and welcoming the report of the Secretary-General, Board members continued to see UNDP play a central leadership role in the United Nations development system. The new Strategic Plan, 2018-2021, they noted, positioned UNDP as the pillar of an integrated United Nations response to the 2030 Agenda and the Goals at country level, as reflected in common chapter, and gave it the tools to forge an empowered, sustainable resident coordinator system. A group of delegations sought clarity on how the proposed integrator platforms would affect interagency division of labour in the resident coordinator system and improve UNDP focus based on its comparative advantages; another requested details on the proposed joint Board, pooled funding and resident coordinator/resident representative reporting lines.

13. Some delegations stressed the organization's role in driving a prevention-focused United Nations development system, focused on addressing the root causes of conflict. They noted that the organization's mandate, extensive country presence and experience institution-building positioned it as the United Nations link between the peace and security architecture and the development system. Other delegations emphasized that the 2016 quadrennial review remained the cornerstone for United Nations system coordination and reform, built on transparent, inclusive cooperation, whose ultimate aim was poverty eradication and sustainable development. They emphasized that UNDP should coordinate its development work with that of other actors involved in humanitarian and peacebuilding activities in a context-specific way. There was general support

for UNDP signature solutions as a means to deliver on the Goals, leave no one behind, strengthen governance and promote gender equality.

14. A group of delegations stressed that national ownership was the key driver of the Strategic Plan, 2018-2021, and its implementation required the strong engagement of Member States at country level. They called on UNDP to continue its active and constructive engagement with other United Nations organizations at the national level to align programmes and policies with national policies and plans. The group attached great importance to UNDP work in support of national capacity building for the achievement of the Goals. Those delegations underlined the growing strength of economies of the South and the importance of South-South cooperation in driving the global economy and multilateralism for the 2030 Agenda and the Goals. Noting that South-South cooperation was a complement to, and not a replacement of, North-South cooperation, they recognized the United Nations Office for South-South Cooperation (UNOSSC) as the global and United Nations system-wide coordinator for South-South cooperation.

15. Delegations overall welcomed that the new business model would focus on greater institutional efficiency and effectiveness. They requested that UNDP work closely with the Board in devising the business model work plan. A group of delegations reiterated the need for new funding structures that reflected actual costs and incentivized flexibility and predictability. The proposal to improve the structured funding dialogues in 2018 presented an opportunity for increased commitment to funding the integrated budget. They encouraged UNDP to continue to work with other United Nations organizations to ensure cost recovery rates better reflected actual costs and to use them to improve the quality of funding, in a spirit of ever greater accountably and transparency.

16. A group of delegations from middle-income countries and small-island developing states stressed that cost recovery rates had to take into account countries' different stages of development and vulnerability, and the impact on core resources. United Nations reform, focused on strengthening the integrated pillars of sustainable development, should not diverge its focus or funds from development, weaken the role of Member States or the work of the development system. They sought clarity on how proposals to delink UNDP from the resident coordinator system might impact the organization's finances and leadership role. They stressed the need to strengthen multi-country offices and to mainstream Samoa Pathway principles and the Istanbul programme of action for least developed countries in all aspects of UNDP work.

17. The funding situation continued to be a major concern. Board members pointed to the ongoing imbalance between core and non-core resources as a potential risk to the ability of UNDP to deliver on its mandate and the 2030 Agenda. Delegations called on Member States to adhere to their funding commitments and, for those in a position to do so, to step up their contributions to core resources. Adequate, multi-year, stable core resources, it was noted, were key to safeguarding the organization's independence and objectivity. They stressed that support to domestic resource mobilization, when requested by programme countries, was additional to, and not a replacement of, adequate and quality of funding for UNDP activities. Board members encouraged UNDP to continue to seek ways in which to diversify its funding base. They suggested that UNDP create more attractive incentives for both traditional and emerging donors by improving its visibility and better communicating results.

18. In response, the Administrator stressed that UNDP was planning for different United Nations reform scenarios while pushing forward implementation of the Strategic Plan, 2018-2021. It would not, however, anticipate the outcome of reforms, which required Member States' approval. How reform would affect staffing, funding and operations were not clear, and there were budgetary considerations on which management would engage the Board. But he emphasized that anticipated reforms derived from the quadrennial review and the evaluations. In the meantime, UNDP would press ahead in a collaborative spirit with other United Nations organizations, focused on the principles and agreements in the common chapter. He recognized the importance of linking funding to performance, within parameters of collective responsibility

and principles of multilateralism, while reiterating the need for stable, predictable core funding. UNDP, he affirmed, would continue to support UNOSSC and mainstream South-South cooperation throughout its work, building on its global knowledge platform. Through its revised business model, UNDP would invest in cost efficiency, delivery and effectiveness, and move UNDP onto a digital platform in collaboration with its partners.

Country programmes and related matters

19. The Director, Regional Bureau for Africa, UNDP, on behalf of the Associate Administrator, UNDP, introduced the item and provided separate overviews of: (a) the five regional programmes for Africa, Asia and the Pacific, Arab States, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean; (b) 10 country programmes; and (c) one common country programme. The regional directors for Africa, Asia and the Pacific, Arab States, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean presented and elaborated on the regional programmes from the regional perspective, as well as the country programmes for: Burkina Faso, Cabo Verde (common country programme document), Djibouti, Egypt, Gabon, Ghana, Jordan, Mauritania, Myanmar, Pakistan and Somalia.

20. Board members welcomed the consultative process UNDP followed in developing the regional programmes. They highlighted that countries in the same region shared common challenges that required a differentiated approach to development. They stressed the importance, within the regional context, of: national ownership, national responsibility to lead development efforts, national capacity-building, strengthening national and regional economies, mitigating vulnerabilities, promoting women's empowerment, the environment, migration, peace and justice, security, and South-South cooperation. Board members whose country programmes were up for Board review and approval commented on the programmes from the national perspective. They highlighted the participatory process followed in designing the country programmes while stressing the importance of national ownership and needs, and the achievements of their partnerships with UNDP at country level. While supporting United Nations reform proposals, some delegations expressed concern at its potential impact on funding for country programmes.

21. The Executive Board reviewed and approved, in accordance with Executive Board decision 2014/7, the country programme documents for: Burkina Faso (DP/DCP/BFA/3 and Corr. 1), Djibouti (DP/DCP/DJI/3), Egypt (DP/DCP/EGY/3), Gabon (DP/DCP/GAB/3), Ghana (DP/DCP/GHA/3), Jordan (DP/DCP/JOR/3), Mauritania (DP/DCP/MRT/3), Myanmar (DP/DCP/MMR/2), Pakistan (DP/DCP/PAK/2), Somalia (DP/DCP/SOM/3), as well as the common country programme for Cabo Verde (DP/FPA/OPS-ICEF/CCPD/2018/CPV/1).

22. The Executive Board reviewed and approved the regional programme documents for Africa (DP/RPD/RBA/4), Asia and the Pacific (DP/RPD/RAP/3), Arab States (DP/RPD/RAS/4), Europe and the Commonwealth of Independent States (DP/RPD/REC/4) and Latin America and the Caribbean (DP/RPD/RLA/3 and Corr. 1).

III. Evaluation

23. The Director, Independent Evaluation Office (IEO), UNDP, presented the Independent Evaluation Office work plan, 2018-2021 (DP/2018/4), and the Director, Bureau for Programme and Policy Support, UNDP, provided the management response.

24. In the sole intervention, a group of 17 delegations welcomed the first multi-year evaluation plan and the planned country programme evaluations for country offices scheduled to submit country programmes to the Board – key steps to support Board oversight responsibilities. They encouraged UNDP to engage partner countries further in the evaluation process for country programme and decentralized project evaluations. They commented on three areas in particular: decentralized evaluations, joint evaluations and system-wide approaches, and resource allocations.

25. The group welcomed the IEO review of the quality assessment of *decentralized evaluations* for 2016. While recognizing progress since the 2014 review of UNDP evaluation policy, they expressed concern that of 170 evaluations reviewed, over two thirds had not received a 'fully satisfactory' rating, and 44 evaluations had been considered 'unsatisfactory'. They sought clarity on whether the quality of evaluators, previously pinpointed as an area for improvement, had caused the less-than-satisfactory assessments, and, if so, whether it pointed to procurement gaps. They encouraged UNDP to set targets for improving the quality of decentralized evaluations, and management to work with IEO closely to ensure independence and validity. They encouraged increased collaboration with other United Nations organizations on quality assurance of decentralized evaluations, in line with new UNDAF guidelines, and encouraged UNDP to better integrate crosscutting issues in evaluation reports and to support regions facing the greatest challenges in the quality of decentralized evaluation reports.

26. The group welcomed the IEO goal to maximize *coordination and joint activities* with other independent oversight units, both within UNDP and throughout the evaluation and oversight community. They stressed that collaborative approaches were critical to achieving the Sustainable Development Goals. They supported UNDP plans to evaluate both the European portfolios as a cluster and the thematic areas identified for future collaboration. They encouraged UNDP to elaborate its plans for thematic evaluations, focused on institutional effectiveness and linking resources to results, and to include the 2030 Agenda more explicitly in corporate evaluations. The group invited the IEO to clarify how it would engage with evaluation units in UNICEF, UNFPA and UN-Women to evaluate the common chapter. They suggested the four organizations undertake a joint evaluation encompassing individual recommendations to each agency, and suggested its inclusion in the work plan 2018-2021. They encouraged UNDP to take a more proactive role in seeking opportunities to conduct joint country portfolio evaluations, and the IEO to support and work closely with the Secretary-General's proposed independent system-wide evaluation unit.

27. The group underscored the importance of *allocating adequate resources* to the evaluation function. They welcomed the increased UNDP budget to the IEO and the separate budget lines for evaluation and audit. Recalling their concern in 2016 that UNDP had allocated only half of the targeted 1 per cent determined by the evaluation policy, the delegations sought clarity on the total allocation for 2018-2021, and whether the budget for the entire evaluation function had increased as well. They sought details on how the harmonized cost recovery policy contributed to evaluations, and how adjustments could secure sufficient resources. Noting the finding from the quality assessment of decentralized evaluation on the low coverage of decentralized evaluations in the area of governance, when compared to current level of expenditures, the group sought clarifications on plans to finalize the list of evaluations annexed to the workplan, and highlighted their interest in having an evaluation of UNDP work on conflict prevention and recovery during the current strategic plan cycle.

28. In response, the Director, Independent Evaluation Office, UNDP, highlighted the important investments of 2017 to enhance the quality of decentralized evaluations and the high, but unrealized, capacity and potential of monitoring and evaluation officers working at the decentralized level. Tackling that issue head on, IEO, in collaboration with UNDP management, was working to achieve a greater level of professionalization among officers at country, regional and global levels, including plans in 2018 to involve the United Nations Evaluation Group in developing training. He expected the additional funding allocated to IEO would cover resources needed to pursue those activities. He stressed, however, the need for realistic expectations on the quality of decentralized evaluations, compared to centralized evaluations. Decentralized evaluations served more as reviews at project level and, as such, fulfilled their purpose. The two types of evaluations – centralized and decentralized – had different but important purposes. As a general principle, the former spoke to accountability and the latter to learning. Regarding the large percentage of 'unsatisfactory' ratings of decentralized evaluations, he indicated results were affected by revisions made to assessment instruments, greater scrutiny in the assessment, and increased numbers of decentralized evaluations considered. IEO said it would present an update on implementation of recommendations at the

annual session 2018, providing better analysis on whether UNDP was a learning organization. On plans for evaluating the common chapter, he said discussions had been initiated with the evaluation offices of organizations involved. Recognizing challenges in conducting joint evaluations, the evaluation offices would engage with their respective boards to see how best to conduct an evaluation of the common chapter. He emphasized that enhanced coverage of independent country programme evaluations was possible thanks to greater efficiency conducting such evaluations. On the related issue of transparency, he stated that all evaluations were in the public domain, readily available to Board members through the Evaluation Resource Centre.

29. The Director, Bureau for Programme and Policy Support, UNDP, highlighted that the common chapter set out the six areas of collaboration among the organizations, including joint initiatives that the organizations would jointly evaluate from beginning to end of the programming cycle. On resources, he noted the reported 0.44 per cent for 2016 was only part of the evaluation expenditure; when calculated along with monitoring, the expenditure came to slightly above 1 per cent. On the quality of evaluators and its impact on the reported subpar quality of decentralized evaluations and their high 'unsatisfactory' ratings, he clarified that: (a) evaluators had made a vertical assessment but did not address crosscutting issues; (b) evaluators' proposed recommendations for improvement lacked usefulness or feasibility because of resource constraints; and (c) the project under evaluation posed evaluative challenges, such as lack of qualitative or quantitative evidence. To address those issues, UNDP would avoid rehiring evaluators that had delivered poor quality evaluations, and engage more closely with evaluators from the outset of the evaluation process.

30. The Executive Board adopted decision 2018/1, UNDP Independent Evaluation Office work plan, 2018-2021.

IV. United Nations Capital Development Fund

31. The Associate Administrator, UNDP, introduced the item, highlighting the organization's close working relationship with the United Nations Capital Development Fund (UNCDF) as reflected in the UNDP Strategic Plan, 2018-2021. The Executive Secretary, UNCDF, presented the new UNCDF Strategic Framework, 2018-2021 (DP/2018/5). She underscored how UNDP and the Fund built on their comparative advantages and how the new planning cycle provided great potential to deepen that work through the UNDP integrator approach and country platforms. Together, UNDP and UNCDF could crowd-in and promote more investments in LDCs and ensure the deployment of finance solutions in MICs contributed to cross-country learning. Stressing the importance of making finance work for the poor, the Strategic Framework, 2018-2021, targeted the intersection of Goal 17 (means of implementation) and Goal 1 to tackle poverty, exclusion and inequality. The new framework committed UNCDF to continue to function as a financing incubator, delivering its expertise in financial inclusion and local development finance. She appealed to Member States to continue to fund UNCDF core resources, crucial for its ability to deliver its mandate.

32. Board members welcomed the consultative process followed in designing the Strategic Framework, 2018-2021. They expressed strong support for the Fund's continued focus on Goal 1, helping LDCs to combat poverty, inequality and exclusion, and Goal 17, revitalizing the global partnership, through financial inclusion and local development finance. Highlighting the particular vulnerability of LDCs to economic, social and climate crises, they were pleased the new framework contributed to the Istanbul Programme of Action for the LDCs, the Addis Ababa Action Agenda, the 2030 Agenda, and the Paris Agreement on Climate Change. They welcomed the Fund's diversification of financial tools, which helped mitigate risk in LDCs, and commended its delivery approach, which, guided by national priorities, localized and empowered local capacities, governing entities and communities. They appreciated its work in supporting local governments to deliver on the Goals, and its integration of crosscutting approaches to women's empowerment in all aspects of UNCDF work.

33. Delegations drew attention to the Fund's catalytic, innovative approach to extending the reach of finance to rural areas and underserved regions and populations within LDCs. They noted that the Fund played a unique role within the United Nations development system for its ability to take on risk, crucial for achieving the 2030 Agenda and in line with the United Nations reform agenda. Delegations commended UNCDF for its work in addressing the special challenges of small-island developing states, its work in the Pacific presenting a good example of how joint programming worked effectively, especially toward financial inclusion. They were pleased to see the strong focus on technological and financing innovations that responded to insights of customer behaviour, and the commitment to learn from evaluations and develop impact and thematic evaluation approaches that considered the long-term effects of access to finance on women and girls. They expected UNCDF to play a leading role in refining methods to measure development impact. They also welcomed the increasing role of partnerships, including those risky in nature, in the Fund's work, in particular those with UNDP and the international financial institutions, which were noted as critical for effective, long-lasting change. They encouraged United Nations development organizations to collaborate with and support the Fund.

34. Delegations stressed the importance of adequate, predictable, multi-year core funding to ensure UNCDF ability to deliver on its mandate, and called on Member States in a position to do so to increase contributions to the Fund's core resources. They fully supported efforts to mobilize additional funds through its innovative approaches, including through the private sector and impact investment groups. Delegations also underscored the potential of South-South cooperation, as a complement to and not a substitute for North-South cooperation, in supporting LDC ambitions to achieve the Sustainable Development Goals. They endorsed the Fund's support to countries engaging in South-South and triangular cooperation through local finance solutions. Other delegations welcomed UNCDF work to ensure a smooth transition for graduated LDCs, offering them inclusive development pathways and continuous support.

35. In response, the Executive Secretary, UNCDF, welcomed delegations' comments and continued strong support, in particular their and partners' readiness to work with the Fund to open spaces for risk-taking, experimentation, and learning. The UNCDF model worked well, she noted, because LDC partners were prepared to open up policies and regulatory space to allow for experimentation in areas such as digital finance. UNCDF looked forward to continued collaboration with Board members and partners.

36. The Executive Board took note of the UNCDF Strategic Framework, 2018-2021 (DP/2018/5).

V. United Nations Volunteers

37. The Associate Administrator, UNDP, introduced the item, underscoring the centrality of the UNDP partnership with United Nations Volunteers (UNV) and volunteerism, not only for achieving the 2030 Agenda but also the UNDP Strategic Plan, 2018-2021 and the wider United Nations system. The Executive Coordinator, UNV, in turn presented the new UNV Strategic Framework, 2018-2021 (DP/2018/6). He highlighted the UNV engagement process with Member States, United Nations partners and other stakeholders in devising the new framework and ensuring its underpinning of the 2030 Agenda and the 2016 quadrennial review. The new framework focused on delivery two outcomes. First, it supported Member States in developing programmes, policies and legislation that promoted volunteerism; enhancing volunteerism through knowledge exchange; expanding opportunities for people to contribute as volunteers; and integrating volunteerism. Second, the framework positioned UNV to better support United Nations partners with UN-Volunteers for national capacity development through volunteerism, and to deliver volunteer solutions for SDG implementation, including via South-South cooperation. UNV was United Nations reform ready and fit for purpose.

38. Board members welcomed the new Strategic Framework, 2018-2021, which built on the previous framework, 2014-2017, and its focus on building national capacity and supporting

achievement of the 2030 Agenda, especially the eradication of poverty as the top priority. They commended UNV for the transparent, inclusive process followed in devising the new framework, and welcomed its response to external evaluations of the previous framework. They were also pleased with the ongoing strong working relationship and complementarity between UNV and UNDP as well as the wider United Nations system. Delegations stressed that volunteerism was key to delivering on the promise of the Sustainable Development Goals, and considered the new framework ambitious but realistic. They underscored the organization's special mandate to mobilize volunteers to act as a common service provider for the United Nations development system. That included the equally important UNV mandate to act as convenor for the global debate on volunteerism in the global South. They commended UNV for its secretariat role for the General Assembly resolution mandated plan of action to integrate volunteerism in peace and development.

39. Delegations welcomed the UNV transformation process undertaken in 2017 to make the organization fit for purpose, and they noted, in that regard, the new framework's focus on institutional effectiveness, which built on the organization's existing excellent operational and capacity building programme. They recognized that the new framework responded to United Nations reform, in particular with regard to national capacity building, an area of strong UNV comparative advantage, and support for South-South cooperation. It was noted that UNV should engage closely with government counterparts on South-South cooperation to avoid duplication of efforts. Delegations were pleased with UNV participation in the common chapter of the strategic plans of UNDP, UNICEF, UNFPA and UN-Women, and encouraged UNV to continue to fully engage in United Nations development system coordination and to support the Secretary-General's reform agenda. They highlighted the onus the new framework placed on partnerships, including the unique UNV relationships with volunteer groups in civil society, and called on UNV to undertake a mapping of volunteerism at the national level as a way of further galvanizing volunteerism at the local level.

40. Delegations expressed strong support for UNV efforts to enhance the sustainability of local volunteers' contribution to development and implementation of the Goals, especially in crisis settings. Volunteers, it was noted, often stayed on during transition to development and were responsible for setting up preventive measures to future emergencies. For that reason, delegations saw strong potential for UNV in addressing climate change mitigation and adaptation, migration and refugee movements, and the challenges of ageing societies. There was also strong support for UNV work in addressing the unique challenges of least developed countries and small-island developing states.

41. Delegations welcomed the UNDP commitment to maintain its level of core funding to UNV during the Strategic Framework, 2018-2021. They recognized UNV concerted efforts to rationalize and decentralize its operations in the face of budgetary constraints, and its efforts to diversify and secure additional funding by broadening its partnerships. Board members stressed the importance of predictable, multi-year contributions to core resources and encouraged Member States, in a position to do so, to increase contributions to UNV and in particular to the UNV Special Voluntary Fund, which enabled UNV to receive unearmarked funding to support delivery of the new framework. They also called on Member States to make sure volunteerism remained a strong value within the United Nations. They sought clarification on how and when UNV would report to the Board on the new framework.

42. The representative of UNICEF highlighted that it was one of the largest supporters deploying UNV volunteers, serving in 73 countries working in a range of UNICEF priority areas. Almost two thirds were national UNV volunteers and approximately 55 per cent were women. As part of its new Youth Advocates Programme, UNICEF would deploy United Nations Youth Volunteers to be youth advocates and agents for change in UNICEF country offices, which also aimed to bring the voices of youth to the United Nations, focused on young women, people with disabilities and minority groups.

43. In response, the Executive Coordinator, UNV, welcomed delegations' comments and recognized the call for greater UNV engagement in addressing issues such as climate change. He noted a number of areas in which UNV was building capacity and establishing specialized volunteer rosters in specific areas. UNV looked forward to its continued work with governments and through vertical funds, such as the Green Climate Fund and the Global Environment Facility, to tackle climate change related challenges. UNV was also closely following the Climate Convention discussions and sought to scale up volunteerism in countries with large programmes for climate change mitigation and adaptation. He welcomed the call for increased contributions to the UNV Special Voluntary Fund, which helped countries develop their own volunteer structures, training and mobilization. He sought Board guidance on how best to report and engage in discussions on UNV activities over the strategic framework period.

UNFPA segment

VI. Statement by the Executive Director and country programmes and related matters

44. In her statement to the Executive Board (available on the UNFPA Executive Board website) as Executive Director of UNFPA, Dr. Natalia Kanem thanked Board members for their strong support for her appointment. She highlighted the challenges and opportunities of 2017, during which UNFPA gained a huge upsurge of support for its work on the rights of women and adolescent girls to control their bodies and their lives. She drew attention to the Fund's activities across the globe to promote sexual and reproductive health and reproductive rights and family planning in both development and humanitarian settings. She pointed to the Fund's thought leadership and advocacy to promote the demographic dividend, combat discrimination, help pass historic legislation and reach those furthest behind. That included working with partners such as the African Union and with religious leaders, buttressed by the Fund's strengths in evidence-gathering and analysis and life-saving service delivery.

45. In all its work, UNFPA sought to expand the options and choices for the poorest women and adolescent girls, empowering them to achieve economic security and independence for more balanced societies, as envisioned in the Sustainable Development Goals. In that regard, the Executive Director restated the three transformative results of the new Strategic Plan, 2018-2021: (a) ending unmet demand for family planning; (b) ending preventable maternal deaths; and (c) ending violence and harmful practices against women and girls. The Fund's collection and analysis of population data would inform its activities aimed at achieving transformative results to ensure no one was left behind. Partnerships were the key to achieving those results, guided by the Strategic Plan, 2018-2021, particularly in collaboration with United Nations development system partners, in both development and humanitarian settings, as highlighted in the common chapter. The Executive Director stressed that in all its work and with all of its partners, UNFPA strove to be innovative, bold, vocal and visible. That included drafting clear, flexible guidance for country offices and exploring ways to boost development impact through greater collaborative advantage.

46. To better monitor its work, UNFPA revised and updated the strategic plan's integrated results and resources framework, incorporating new indicators, baselines and targets, to ensure greater accountability and improved decision-making. Evaluation was an essential part of accountability, and the Fund used evaluative evidence and lessons learned to inform its work. The UNFPA quadrennial budgeted evaluation plan set the organization's strategic approach to evaluation. She noted that the Fund appreciated the consultative process in which the quadrennial plan had been developed, ensuring that evaluation at UNFPA was responsive and useful. The Fund was committed to cultivating a culture of evaluation for learning and results, as evidenced in its innovation initiative. Efforts in that area were closely linked to enhancing organizational effectiveness and efficiency, which the change management process and the comprehensive

resource review augmented. Both were aligned with the United Nations reform agenda and ensured the Fund's human and financial resources were optimally deployed to support the UNFPA Strategic Plan, 2018-2021, the 2016 quadrennial review and the 2030 Agenda. She stressed that UNFPA was making significant investments in country office presence, expanding and strengthening its engagement in humanitarian action.

47. In closing, the Executive Director highlighted five essential elements needed for success: integrity, accountability, optimal use of resources, people and peace. Citing challenges related to resources, she noted that revenue for 2017 was expected to reach an all-time high, thanks to intensified resource mobilization efforts, including through the private sector. The Fund had managed to maintain core resources at 2016 levels, while new co-financing contributions from programme countries were growing. UNFPA was ready to continue discussions with the Board on those issues in the structured funding dialogues during 2018.

48. Board members universally welcomed the appointment of Dr. Natalia Kanem as Executive Director of UNFPA, and expressed strong support for her vision and leadership in advancing the Fund's mandate. They noted with appreciation that the Strategic Plan, 2018-2021, was fully aligned with the International Conference on Population and Development (ICPD) programme for action, the 2030 Agenda, the Sustainable Development Goals and the 2016 quadrennial review, reaffirming the Fund's mandate as key to achieving the Sustainable Development Goals. Delegations welcomed the transparent consultative process followed with Member States and stakeholders in developing the new strategic plan, the revised integrated results and resources framework, and the comprehensive resources review, as part of the Fund's overall change management process. There was also general recognition of the dedicated work of UNFPA staff across the globe in providing universal access to sexual and reproductive health services, especially in crisis settings, and in reaching marginalized and vulnerable communities.

49. On the Strategic Plan, 2018-2021, Board members encouraged UNFPA to continue to pursue a collaborative approach, as set out in the common chapter with UNDP, UNICEF and UN-Women, as well as its focus on preventing maternal deaths, increasing access to family planning, and ending gender-based violence. They emphasized that poverty eradication and reduction of inequalities formed the cornerstone of the Fund's mandate. They urged the Fund to continue to mainstream gender equality and women's empowerment, prevention of gender-based violence, as well as reduction of maternal mortality and promotion of youth and adolescents, in all its sexual and reproductive health and family planning work, including for vulnerable groups, in both development and humanitarian settings. Several delegations stressed that a human-rights based approach had to be an integral part of all sexual and reproductive health and family planning services, in both development and humanitarian settings, including for marginalized and vulnerable groups, as per the 2030 Agenda.

50. Board members expressed strong support for the Fund's continued alignment with reform of the United Nations development system and the Secretary-General's reform agenda. In that effort, it should be prepared to contribute to changes in United Nations country-level presence; consolidate back-office functions; and increase accountability and transparency in its operations. They welcomed its pursuit of partnerships and joint initiatives, and encouraged UNFPA to continue to expand and deepen them, especially within the United Nations development system, to address the multifaceted challenges of the new strategic plan and the Sustainable Development Goals. Delegations welcomed the Fund's efforts to broaden its donor base and seek more innovative partnerships and non-traditional modes of financing, including with the private sector and through South-South and triangular cooperation, to address the ongoing core/non-core imbalance. Many delegations warned that the ongoing imbalance risked jeopardizing the organization's ability to deliver results. They called on Member States in a position to do so to increase contributions to core and to decrease earmarking contributions. Others requested that the Fund design development funding structures that better demonstrated costs in the run-up to the structured funding dialogue at the second regular session 2018.

51. A group of delegations underscored the importance of the Fund's universal presence in programme countries, especially of concern to least developed countries (LDCs), middle-income countries (MICs) and small-island developing States (SIDS). They urged UNFPA to pursue a differentiated approach to programming at country level, tailoring its assistance to the special needs and priorities of MICs and SIDS, as defined by programme countries and respectful of national ownership and leadership, especially in humanitarian and emergency situations. There was a request for UNFPA to prioritize region-wide real-time assistance to MICs and SIDS, as they were especially vulnerable to climate change and natural disasters. They urged the Fund to ensure its subregional offices received the financial and technical support required to carry out its mandate and to promote South-South and triangular cooperation. LDCs appealed for the Fund's continued strong support for financing for development and the promotion of ICPD principles and the Istanbul programme of action, especially in crisis and humanitarian situations.

52. Other delegations requested that, in certain programme countries, UNFPA support efforts to increase birth rates and promote family values as part of sexual and reproductive health and family planning services, while respecting national cultural and religious approaches. One delegation underlined its opposition to coercive abortion, and asked UNFPA to make sure such practices would not be part of its sexual and reproductive health and family planning services. There was also a call for the Fund to address the challenges of ageing societies with low fertility rates and to promote the idea of universal health coverage.

53. On the UNFPA comprehensive resources review and change management process, Board members supported the principle objectives, noting with appreciation that the initiatives were aligned with the United Nations reform agenda and fundamental for delivery of the Strategic Plan, 2018-2021. Many delegations acknowledged that the change management efforts aimed to strengthen the organization's humanitarian work. A number of Member States highlighted four key areas for further efforts: (a) shifting more resources from headquarters towards its work in the field; (b) strengthening its leadership role in addressing gender-based violence in humanitarian settings; (c) providing constructive, impartial, effective support to intergovernmental processes; and (d) continuing its efforts to improve organizational efficiency and effectiveness. While welcoming the efforts to strengthen the Fund's humanitarian response, delegations requested clarifications on how UNFPA would undertake the proposed changes, including the rebalancing of operational functions between New York and Geneva, and how this would increase efficiency and effectiveness. They asked UNFPA management to continue its dialogue with the Board on the comprehensive resources review and change management process, with regular updates and a clear timeline for moving forward, including in relation to the revised integrated budget, 2018-2021, with a first draft expected by May 2018.

54. On the revised integrated results and resources framework of the Strategic Plan, 2018-2021, Board members welcomed the revisions, reflecting integrated results, new baselines and targets, and disaggregated data. They called for further strengthening of UNFPA staff and national capacities to collect, analyse and disaggregate data on population dynamics, as it helped programme countries to use data for informed decision-making on development policies and interventions. They welcomed the Fund's commitment to learn from monitoring and evaluation, and encouraged it to continue to pursue innovation in data collection and analysis, through the recently designed innovation initiative and through the creation of an innovation fund.

55. In response, the Executive Director welcomed the Board's guidance and support. She highlighted that the vision of the Strategic Plan, 2018-2021 – and for its two subsequent iterations until 2030 – was indeed ambitious, motivated by the precarious situation and high mortality and morbidity rates facing such a large number of women and girls. Partnerships with all stakeholders were key in efforts to address those challenges successfully – building on a platform of data, evidence and underpinned by human rights – and to achieve the three transformative results that formed the vision towards 2030. She took note of the range of issues mentioned by Board members, and emphasized the importance of delivering results at country level, including for

refugees displaced by conflict, climate change, population dynamics and the situation of youth. Reiterating funding and political challenges, she stressed that the Fund's success hinged on achieving results at the country level, focusing on the most marginalized. She further noted that new investments would focus on country-level impact and take advantage of the Fund's data prowess, building on innovation and partnerships, including in humanitarian and refugee settings, to ensure that no woman or girl was left behind. She reiterated that the envisioned change management processes were tailored to support these results. UNFPA hoped to work closely with the Board around its innovation initiative, supported by the innovation fund, and through innovative partnerships, which were key ingredients for success.

56. The UNFPA Deputy Executive Director (Management) noted that as the change management process continues to unfold, UNFPA would provide further updates to Board members, including a document on the financial implications of the changes being proposed. She reiterated that the comprehensive resources review and the change management process were closely aligned with the Secretary-General's reform agenda.

57. The Director, Programme Division, UNFPA, noted that with the adoption of the Strategic Plan, 2018-2021, the Fund had significantly increased resources for LDCs and SIDS in the Caribbean and Pacific islands subregions, underscoring the Fund's commitment to SIDS and LDCs and to building capacity for humanitarian action.

Country programmes and related matters

58. The UNFPA Deputy Executive Director (Management) provided an overview of the six country programmes for Central African Republic, Djibouti, Egypt, Ghana, Jordan, and Mauritania, as well as the common country programme for Cabo Verde. The UNFPA regional directors for the Arab States and West and Central Africa then presented the country programmes from their regional perspectives.

59. Programme country delegations expressed strong support for the Fund's assistance and underscored that UNFPA had developed the country programmes in close cooperation with their respective Governments, which fully supported its sexual and reproductive health and family planning activities in their countries. They confirmed that programmes of cooperation were fully aligned with national priorities and the respective country UNDAFs, and contributed to the national achievement of the Sustainable Development Goals. More specifically, they highlighted how UNFPA country programmes addressed national development challenges, including in the areas of climate change, migration, refugees, internally displacement and the demographic dividend.

60. The Executive Board, in accordance with its decision 2014/7, reviewed and approved the country programmes documents for Central African Republic (DP/FPA/CPD/CAF/8), Djibouti (DP/FPA/CPD/DJI/5), Egypt (DP/FPA/CPD/EGY/10), Ghana (DP/FPA/CPD/GHA/7), Jordan (DP/FPA/CPD/MRT/8), and Mauritania (DP/FPA/CPD/BWA/6), and the common country programme for Cabo Verde (DP/FPA/OPS-ICEF/CCPD/2018/CPV/1).

VII. Evaluation

61. The Director, Evaluation Office, UNFPA, presented the quadrennial budgeted evaluation plan, 2018-2021 (DP/FPA/2018/1) and the formative evaluation of the UNFPA innovation initiative (DP/FPA/2018/CRP.1), followed by the management response to the formative evaluation of the UNFPA innovation initiative (DP/FPA/2018/CRP.2), presented by the UNFPA Deputy Executive Director (Management).

62. A group of 19 Board members welcomed the formative evaluation of the UNFPA innovation initiative and commended the Fund for its swift implementation of its recommendations. They also welcomed the quadrennial budgeted evaluation plan and thanked the Evaluation Office for the consultative process during its elaboration. They welcomed the planned corporate evaluations

of the four outcomes areas of the new Strategic Plan, 2018-2021, as well as the planned evaluations on organizational effectiveness and its increased focus on humanitarian work.

63. Stressing the importance of collaborative approaches in achieving the Sustainable Development Goals, the group welcomed the aim to maximize coordination and joint activities with the oversight units of other United Nations organizations. They looked forward to the Fund's contribution to United Nations coherence, including the three joint evaluations with United Nations funds and programmes and the two system-wide evaluations noted in the plan. They encouraged UNFPA to consider how it could conduct further joint evaluations with United Nations organizations.

64. In that regard, the group requested details on plans for joint country portfolio evaluations, given the need for greater coherence and in light of the modest scale of some United Nations country portfolios. They sought clarification on Evaluation Office plans to engage with the evaluation functions in UNDP, UNICEF and UN-Women to evaluate the common chapter of the strategic plans in the five areas of joint collaboration, and suggested that the four organizations undertake a joint evaluation, to be specified in the workplans for 2018-2021. They further encouraged the Evaluation Office to support the Secretary-General's proposed independent system-wide evaluation mechanism, particularly with regard to the system-wide aspects of the workplan.

65. Delegations welcomed UNFPA management success in maintaining the budget for the evaluation function, despite significant financial constraints, and some encouraged the organization to continue its efforts to raise the evaluation budget towards the agreed 3 per cent target. They sought further information on how the harmonized cost-recovery policy contributed to evaluations and how adjustments could secure resources for future evaluations. They expressed concern that the high number of planned country programme evaluations over the four years might jeopardize their quality, as the resources for these were listed as 'indicative', requiring resource mobilization efforts. They sought details on the efforts by the Evaluation Office and management to ensure sufficient resources for decentralized evaluations were available and on the steps to establish a prioritization scheme once funding becomes available.

66. One delegation asked if UNFPA had devised a strategy to address declining programme resources in light of funding cuts in country-level programmes. Another sought clarity on why evaluation funding had declined when UNFPA had been able to recuperate funding declines from other sources, including increased core contributions from some Member States in 2017 and 2018.

67. In response, the Director, Programme Division, UNFPA, stressed that UNFPA was working to build evaluation capacity and ensure all decentralized and corporate evaluations were implemented fully and on time. UNFPA was closely engaged with country offices to support them in planning and conducting evaluations. On the issue of the 3 per cent, he pointed to factors that impeded the Fund's ability to reach that goal, including: (a) the dramatic reduction in core resources, which could be offset through an agreement with Member States to allocate a percentage of non-core funding to evaluation; (b) reporting on evaluation resources, which was expected to improve by end 2018, thanks to the introduction of the Global Programming System; and (c) the large amount of funding prioritized for humanitarian activities. To address the issue, UNFPA was pursuing less retrospective and more real-time evaluations, in tandem with building evaluation capacities of country and regional office staff.

68. The Director, Evaluation Office, UNFPA, stressed that UNFPA was committed to United Nations coherence of the evaluation function. The Evaluation Office was in regular dialogue with the evaluation offices of UNDP, UNICEF and UN-Women on conducting joint evaluations of country programmes and a joint evaluation of the common chapter of the strategic plans. The Fund, having already undertaken an evaluation of its contribution to United Nations coherence, hoped to expand that evaluation to include the other three organizations. He highlighted that UNFPA was actively engaged with the United Nations Evaluation Group to determine how best

to support the Secretary-General's proposed independent system-wide evaluation unit. He pointed to four areas of United Nations coherence in evaluation where UNFPA was actively engaged: (a) joint evaluations; (b) system-wide evaluations; (c) enhancing coherence within the evaluation functions; and (d) strengthening evaluation capacities throughout the United Nations development system. The Fund's efforts to build evaluation capacity at country office and decentralized levels would ensure the quality of the many evaluations planned during the strategic plan period.

69. The Deputy Executive Director (Management), UNFPA, stressed the Fund's commitment to ensuring adequate funding for the evaluation function, and highlighted the steady increase in resources to the evaluation function in 2017. UNFPA hoped the trend of increasing core resources would continue and thereby ensure adequate funding for evaluation. She emphasized that it was important that funding for core items also covered evaluations fully, without creating an unnecessary burden on other areas of core funding, so that all types of funding were utilized to the optimum extent possible.

70. The Executive Board adopted decision 2018/2 on the UNFPA quadrennial budgeted evaluation plan, 2018-2021.

UNOPS segment

VIII. Statement by the Executive Director

71. In her statement, the Executive Director, UNOPS, provided an update on the implementation of the organization's Strategic Plan, 2018-2021, and highlighted the key focus areas for 2018. She underscored that 2017 was a good year for UNOPS, characterized by sound finances and high demand for services. She stressed that UNOPS did not seek or receive grants or core funding, but functioned solely on the quality of its services. The organization focused on implementation in partnership with Member States, United Nations system, and public and private sector partners. It worked to implement projects to achieve the Sustainable Development Goals, support Security Council and General Assembly resolutions, and address humanitarian, peace and security concerns. The new Strategic Plan, 2018-2021, focused on three corporate goals: efficiency, effectiveness, and accessing new funding sources. She noted that most UNOPS operations took place in fragile settings, working to restore basic services and infrastructure.

72. The Executive Director reaffirmed UNOPS commitment to the Secretary-General's reform agenda, focused on a more field-focused, decentralized United Nations. UNOPS continued to improve its model to ensure stronger impact at country level. In line with the Secretary-General's vision, in 2017 UNOPS revised its internal governance structure, separating policy from control functions from operations. The organization supported the move towards an impartial resident coordinator that promoted non-resident agencies such as UNOPS when they had a comparative advantage. UNOPS also worked closely with UNDP to improve joint capacities and identify common areas for collaboration, and was ready to offer its services to other United Nations system partners, especially in areas such as procurement. UNOPS was also addressing corporate challenges, launching its gender parity strategy aimed at achieving workforce gender parity by 2020, meeting United Nations system-wide gender targets by 2026, and increasing women's numbers in senior management.

73. Board members welcomed the update on the implementation of the Strategic Plan, 2018-2021, which positioned UNOPS as a demand-driven, self-financed entity within the United Nations system, and they commended UNOPS for its steps to create links with the Secretary-General's reform agenda to boost efficiency and quality. They welcomed integration of the relevant Goals in the new plan to ensure delivery of the 2030 Agenda, as well as the three corporate goals of efficiency, effectiveness, and accessing new funding sources. Noting the unqualified audit report for 2016, they commended UNOPS for reaching targets on local procurement early and for being the sole United Nations organization to receive a gold standard

for sustainable procurement. While noting improvements in management and operational activities, they urged UNOPS to fully implement Board of Auditors recommendations. They welcomed the initiative to use surplus resources for seed funding and sought further details at future Board sessions.

74. Delegations affirmed that UNOPS played a unique role in the United Nations system that ensured delivery at country level, and was ideally positioned to help United Nations organizations to deliver collective outcomes, a central tenet of United Nations reform. They stressed the importance of strengthening collaboration between UNOPS and other United Nations organizations in procurement and infrastructure implementation. They welcomed efforts to strengthen partnerships with the United Nations development system and, as per the 2016 quadrennial review, at the global, regional and country levels, and they looked forward to UNOPS continued efforts to innovate and forge partnerships outside the United Nations system. They were pleased to learn of the launching of the gender parity strategy, including United Nations system-wide gender targets, and UNOPS intention to extend the policy to all areas and levels of its operations, while underlining the need to include people with disabilities in the drive to combat inequality.

75. A group of delegations welcomed the continued broadening of the UNOPS portfolio to include activities in small-island developing states, including the opening of the UNOPS Innovation Centre in the Caribbean region, which, they noted, also fostered greater interagency collaboration through the innovation portfolios of UNDP and UNFPA. The group encouraged UNOPS to not only improve its sustainability policy and prioritize projects and programmes that contribute to sustainability, as per Board of Auditors recommendations, but also to align all its work towards sustainability. Sustainability, key to reducing inequality and eradicating poverty, remained a gap in the United Nations development system. They called on UNOPS to help developing countries boost their capacity for sustainable development overall.

76. In response, the Executive Director, UNOPS, welcomed delegations strong support for UNOPS unique role in the United Nations system and as a key player for achieving the Sustainable Development Goals. UNOPS stood ready to support all members of the United Nations systems, as reflected in the new Strategic Plan, 2018-2021, be it through management, procurement or resilient infrastructure. The organization's focus on efficiency, effectiveness and access to new sources of funding was the best approach to ensuring UNOPS overall value to partners. UNOPS fully supported the Secretary-General's reform agenda, including the goal of an impartial resident coordinator at country level that would seek out UNOPS assistance, even without a country presence, in areas where it had a comparative advantage. UNOPS was committed to innovation and innovative financing, and strongly supported projects that engaged youth. The organization would continue to gauge its job creation impact for youth and women. Security was a top priority for UNOPS, especially given its presence in emergency settings. UNOPS also had a strong working relationship with the Board of Auditors and actively addressed its recommendations.

Joint segment

IX. Recommendations of the Board of Auditors

77. The Director, Bureau for Management Services, UNDP, introduced the report of UNDP and the United Nations Capital Development Fund (UNCDF) on the implementation of the recommendations of the Board of Auditors for 2016 (DP/2018/7 and annexes). The Deputy Executive Director (Management), UNFPA, introduced the report of the Executive Director: follow-up to the report of the United Nations Board of Auditors for 2016: status of implementation of the recommendations (DP/FPA/2018/2 and annexes). The General Counsel, UNOPS, introduced the report of UNOPS on the status of the implementation of the recommendations of the Board of Auditors for 2016 (DP/OPS/2018/1). The Directors of External Audit, United

Nations Board of Auditors, delivered comments on the three reports by UNDP, UNFPA and UNOPS from the perspective of the United Nations Board of Auditors.

78. Board members welcomed the Board of Auditors' thorough reviews and commended the organizations for achieving unqualified audit reports for the year ending 2016. They stressed the importance of Board of Auditors' reports in satisfying the assurance needs of the Executive Board as a third line of defence in a strong oversight system. The implementation of past recommendations was crucial in creating a trust-based relationship between the organizations and the Executive Board, as well as in realizing operational efficiency, effectiveness and fiduciary assurance. They urged a strong focus on preventative and qualitative assurance measures, as well as ethical awareness-raising and protection of whistle-blowers.

UNDP

79. A group of delegations welcomed the Board of Auditors' positive appraisal of the financial health of UNDP, whose assets were growing faster than liabilities and overall revenue had increased. They recognized progress in its seven priority areas, noting many areas were aligned with the Executive Board's workplan. They echoed the Board of Auditors call for further progress in all areas, including project and financial management, and encouraged UNDP to address recommendations not yet implemented, especially those that were recurring. The group welcomed actions taken to diversify sources of funding, a topic of ongoing concern, and reiterated the importance of flexible funding sources, of which core was key. Highlighting four areas for improvement, they urged UNDP to: (a) focus on the management plan on cost recovery and a cost recovery strategy; (b) issue a thorough management response that addressed the Board of Auditors comments on fraud, including the call to develop a comprehensive anti-fraud strategy that should be incorporated into the working plan for engagement with the Executive Board; (c) include cumulative reporting on fraud loss recoveries, and project and programme management, in the anti-fraud strategy, reflecting the harmonized approach to cash transfers (HACT) and risk management; and (d) provide progress updates on human resources, especially with regard to the 'people's strategy'.

80. Another group welcomed the organization's 12 years of uninterrupted clean audit opinions, and its top rank in the Publish What You Fund transparency index. Highlighting three recommendations for UNDP that dealt with risk management of implementing partners, specifically on recurring compliance issues related to operational rules/procedures and procurement, they urged UNDP to: (a) pursue full compliance with existing procedures in the high risk area of assessing implementing partners, including a timeline towards full compliance; (b) give greater attention to recurring findings and recommendations related to compliance with existing operational rules and procedures; and (c) review and regularly update vendor data to prevent duplication and potential fraud.

UNFPA

81. A group of Board members welcomed Board of Auditors' acknowledgment of the Fund's good financial health. They recognized progress in introducing the global programming system for managing workplans and the strategic information system, which helped to better monitor risk and results, but stressed the need for improvement of new systems at country level. They encouraged UNFPA to accelerate its pace of implementation of outstanding recommendations. Noting the decrease in revenue from 2015 to 1016, they welcomed UNFPA efforts to broaden its donor base and encouraged it to secure sources of financing that enhanced delivery of its strategic plan. Highlighting four areas for improvement, they urged UNFPA to: (a) strengthen application of management processes; (b) improve assessment and oversight arrangements for implementing partners under HACT; (c) pursue improvements to programme, contract and human resource management; and (d) strengthen procurement and establish a robust supply-chain mechanism.

82. Another group of delegations stressed the importance of compliance with existing rules of procedure, including for HACT and the strengthening of staff capacities to conduct risk assessments

and assurance plans for implementing partners. They recognized the comprehensive improvements across the three lines of defense, as reflected in the reduced number of Board of Auditors' recommendations between 2014 and 2018, and appreciated the ambition to address the majority of outstanding recommendations by the end of the first quarter 2018. They welcomed the significant progress in implementing the 2016 Board of Auditors' recommendations, half of which had been completed.

UNOPS

83. A group of delegations welcomed the surplus in delivery of operations and recognized that implementation of the new enterprise resource management system, through One-UNOPS, offered a window of opportunity for UNOPS to strengthen risk management and oversight.

84. In response, the Directors of External Audit, United Nations Board of Auditors, recognized the three organizations' efforts to address the major concerns raised by the Board of Auditors, especially at country level. They urged management to address the underlying causes of deficiencies and weaknesses highlighted by the Board of Auditors under Executive Board guidance. They were pleased that, for the first time, representatives of the Board of Auditors were on the podium and able to make opening statements, and looked forward to continuing that practice in the future.

85. The Director, Bureau for Management Services, UNDP, reiterated the importance and utility of the attestation mechanism, by which resident representatives had to annually sign an official document stating the country office had in place internal controls and anti-fraud policies. UNDP was taking the necessary steps to address recurring recommendations, as part of its revamped business model and internal oversight mechanisms. Underscoring the importance of core resources and recognizing the need for a management cost recovery strategy, UNDP was working with UNICEF, UNFPA and UN-Women on a harmonized approach to cost recovery. Central to that harmonized approach was the prioritization of showing the use and role of core resources. A stable and predictable core, she stressed, greatly helped the organizations plan for predictable resources for the audit function and other independent oversight functions. Noting, on anti-fraud, that UNDP had set up a cross-functional task force on recovery of funds lost due to fraud, she pointed out that the organization had recovered $2.23 million out of a total of estimated losses of $3.5 million (out of an annual total of $4.5 billion dispersed for programming) in 2016. As part of its commitment to United Nations reform, UNDP would continue to collaborate on HACT with the other funds and programmes. UNDP was in the process of recruiting a new director for the Office of Human Resources and, as such, would not finalize its 'people's strategy' until the new director had come on board. Concurring with the need for prevention and whistle-blower protection, she highlighted that, under the organization's whistle-blower policy, staff had to undergo mandatory fraud training. UNDP was committed to strengthening the policy and practice, and was actively engaged in the Joint Inspection Unit review of whistle-blower policies across the United Nations development system. UNDP remained commitment to transparency and to its high rating on the Publish What You Find index. UNDP was also actively exploring options to address the challenge posed by the combined delivery report certification, and had reinvigorated its vendor review committee to address issues related to weaknesses in vendor data and procurement.

86. The Deputy Executive Director (Management), UNFPA, reaffirmed the Fund's commitment to address issues of concern raised by the Board of Auditors and to accelerate progress toward resolving them – especially with regard to systemic and recurring challenges. UNFPA was working to identify problematic areas and focus on preventing them before they occurred, including through raising-awareness. That included not only the issuance of new policies but also efforts to make awareness user-friendly through videos and statements by senior management and practitioners. She noted that in 2017 UNFPA had been able to mobilize additional resources, including through an increased number of donors, which it hoped to sustain.

UNFPA would update the Board on the financial and audit situation before the annual session 2018.

87. The General Counsel, UNOPS, affirmed that UNOPS would keep the Executive Board informed of progress in its work to use its enterprise resources management system as a central lever for implementing its Strategic Plan, 2018-2021, in order to develop innovative, integrated solutions and to strengthen real-time monitoring and reporting as part of oversight.

88. The Executive Board adopted decision 2018/3 on the reports of UNDP, UNFPA and UNOPS on the implementation of the recommendations of the Board of Auditors for 2016.